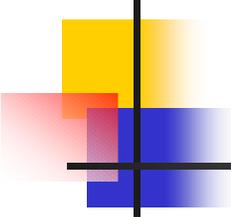


# Iowa's Adoption Subsidy Program

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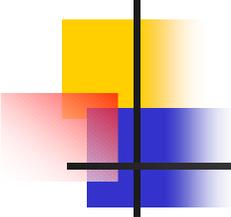
Presentation to Adoption Subsidy  
Program Study Committee  
November 8, 2004



# What is the purpose of the adoption subsidy program?

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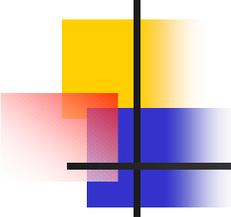
- The adoption subsidy program is designed to help children with special needs grow up in a safe and secure permanent family.
- The program provides financial assistance and other supports to families who adopt special needs children that the state might otherwise not be able to place for adoption.



# What does research say about impact of adoption and adoption subsidy?

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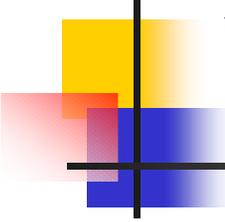
- Children exposed to abuse/neglect experience adverse impacts in physical health, brain development, academic achievement, social and emotional functioning
- Children who are adopted have more successful outcomes than those who grow up in foster care
- Adoption subsidy can decrease waiting time until adoption for children with disabilities, older children and children who need continued treatment
- Adoption subsidies are associated with adoption stability and lower disruption rates



# Adoption Subsidy Eligibility

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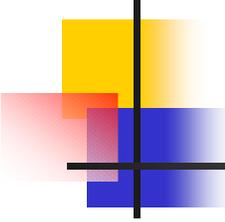
- DHS must document that we are unable to place the child in an appropriate adoptive home without a subsidy
- Child must meet specific “special needs” eligibility category
- Federal requirements prohibit a state from considering adoptive parent income in determining a child and family’s eligibility for the subsidy or the amount of the subsidy



## “Special Needs” Criteria

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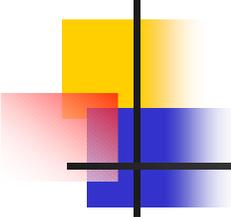
- Children with medically diagnosed disability that substantially limits one or more major life activities, requires professional treatment, assistance in self-care, or purchase of special equipment
- Children determined to have mental retardation
- Children diagnosed with behavioral or emotional disorder characterized by inappropriate behavior that deviates substantially from behavior appropriate to the child’s age or significantly interferes with child’s intellectual, social or personal adjustment



## “Special needs” criteria continued

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- Children diagnosed with psychiatric condition that impairs child’s mental, intellectual or social functioning; and for which child requires professional services
- Children age 8 or older and Caucasian
- Children age 2 or older who are a member of a minority race or ethnic group, or whose parents are of different races
- Children that are members of sibling group of 3 or more who are placed in same adoptive home



## What benefits are available through the adoption subsidy program?

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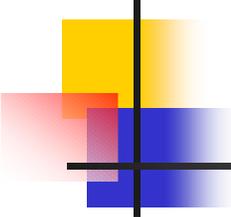
- Monthly maintenance payment up to the amount the child would receive in family foster care, including special care rates, through age 18 (or 21 if child has disability)
- Medicaid coverage for child's physical and mental health
- Certain expenses not covered by Medicaid program
  - Additional premium to add child to family's health insurance coverage group
  - Payment for outpatient individual or family services from non-Medicaid provider in special situations
  - Medical transportation not covered by Medicaid



## Adoption subsidy benefits continued

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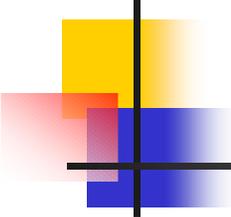
- Nonrecurring expense reimbursement -- attorney fees and court costs to finalize the adoption up to \$500 per child
- Special services
  - Supplies and equipment as required for child's special needs and unavailable through other resources
  - Funeral benefits at amount allowed for foster care
  - Child care for families that had completed an adoption subsidy agreement that included child care on or before 6-30-04 (payment rates based on child care assistance program rates)



## How do Iowa's adoption subsidy benefits compare to other states?

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- Definition of special needs – average
- Maximum basic monthly payment – good
- Specialized rates – good
- Eligibility for Medicaid – good
- Non-recurring expense reimbursement – below average
- Special services – average

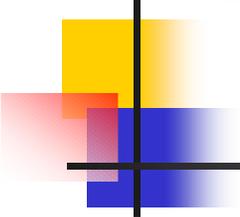


## Subsidy benefits comparison cont.

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- Respite care – average
- Residential treatment – average
- Deferred subsidy agreements – good
- Subsidized guardianship – below average
- Public & private agency children – good
- Subsidy for children over age 18 – good

# Number of Children Served



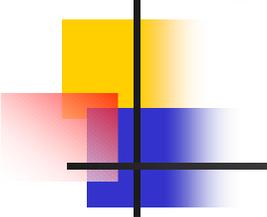
Fiscal Year	Finalized Adoptions	Avg. monthly # subsidized adoptions
FY 1996	398	1,880
FY 1997	448	2,218
FY 1998	535	3,176
FY 1999	686	3,731
FY 2000	744	4,324
FY 2001	706	4,899
FY 2002	781	5,010
FY 2003	1039	5,998
FY 2004	1077	6,688

# What's the profile of children receiving the adoption subsidy?

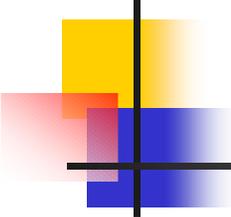
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- Gender: 50% female, 50% male
- Age
  - 0 – 5 years: 20%
  - 6 – 11 years: 38%
  - 12 – 15 years: 27%
  - 16+: 14%
- Race/ethnicity
  - Caucasian: 69%
  - African American: 19%
  - Hispanic/Latino: 5%
  - Native American: 3%
  - Asian/Pacific Islander/Other: 3%

# Adoption Subsidy Expenditures



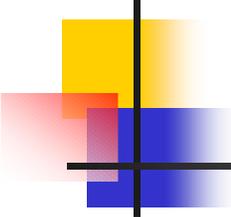
Fiscal Year	Total \$	Avg. Daily Cost
FY 1996	\$10,855,740	\$15.53
FY 1997	\$13,726,452	\$ 16.68
FY 1998	\$17,680,919	\$ 15.02
FY 1999	\$22,530,033	\$ 16.28
FY 2000	\$28,048,639	\$17.51
FY 2001	\$33,081,950	\$18.26
FY 2002	\$37,374,414	\$21.02
FY 2003	\$42,268,119	\$20.88
FY 2004	\$47,399,377	\$20.82



# How do the costs of adoption subsidy compare to foster care?

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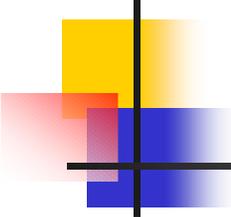
- Expenditures for maintenance and services are fairly comparable
- Adoption subsidy reduces costs associated with:
  - Caseworker supervision
  - Periodic case review (e.g., by foster care review board)
  - Judicial hearings



# Efforts to manage expenditures – 2004 program changes

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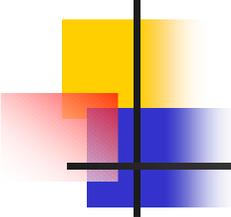
- Changes in eligibility – children no longer defined as special needs
  - Minority children under age 2
  - Healthy siblings in sibling group of 2
- Elimination of child care payment through adoption subsidy program (except grandfather provisions)
- \$500 cap on nonrecurring attorney fees & court costs



## 2004 program changes cont.

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- Eliminated \$1 per day additional subsidy payment for sibling groups of 3 or more
- Added one-time payment up to \$500 when sibling group of 3 or more placed together
- Added one-time payment up to \$2,000 for pre-placement visits
- Staff training to improve consistency of eligibility determination and subsidy negotiations



# DHS Recommendations

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- Maintain adoption subsidy as a separate appropriation from rest of child welfare